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Annual Report 2009 ABENGOA

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# Abengoa and Its Customers

### **Focus on Customer Satisfaction**

Ever since its inception, Abengoa has always striven to ensure that its products and services are designed with full customer satisfaction in mind Creating

Ever since its inception, Abengoa has Customers and suppliers are the chief participants in any business relationship. For Abengoa, a fluid relationship based on trust with both stakeholder groups is of paramount importance because these stakeholders are effectively the company's business partners.

to ensure that its products and meet their expectations in terms of quality standards, deadlines, and after-sales service.

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**Mind** Creating this bond of sustainable and lasting confidence with customers requires fluidity and transparency in communication, two elements which Abengoa considers to be key priorities in its customer relationships.



### **Abengoa Customer Commitment**

Ever since its inception, Abengoa has always striven to ensure that its products and services are designed with full customer satisfaction in mind. This commitment was explicitly incorporated into the Common Management Systems governing all group companies.

Abengoa's customer profile by business unit is as follows:

• Solar

Abengoa Solar customers are large companies that require technology and installations; electric utilities, which are supplied with power; public administrations and society in general, as the end electrical power consumer.

#### • Bioenergy

Abengoa Bioenergy customers are divided into three groups, according to the products they acquire:

- <sup>o</sup> Transportation fuel producers and distributors.
- ° Livestock co-ops.
- ° Food companies.

### Environmental Services

Befesa customers by business segment are as follows:

- <sup>o</sup> Aluminum waste recycling for major European companies in the automobile and construction industries.
- Galvanized steel recycling for major European companies in the iron and steel industry.
- <sup>o</sup> Industrial waste management for the pharmaceutical, chemical and petrochemical industry, and other small companies.
- Given project magnitude and the significance of water resource generation and management, governments and the public administration are the chief customers in the water treatment and desalination segment.

### • Information Technologies

Telvent customers comprise businesses, institutions, and public administrative bodies associated with the energy, environmental, traffic, transportation, telecommunications and internet, and healthcare sectors.

### • Industrial Engineering and Construction

Telvent customers comprise businesses, institutions, and public administrative bodies associated with the energy, environmental, traffic, transportation, telecommunications and internet, and healthcare sectors.

### **Customer Service Management**

In accordance with the principles governing company policy on quality and the environment, Abengoa understands that excellence in customer service depends on being able to understand and meet present and future needs. Thus, in order to ascertain

and thereby anticipate customer expectations, Abengoa bases its approach on direct dealings with each and every customer.

To this end, Abengoa utilizes the Business Action application in order to:

- Coordinate all customer-related processes with the aim of providing personalized service.
- Promote synergies among Abengoa companies and thereby offer full customer service.
- Prevent potentially detrimental duplication in processes involving different Abengoa companies due to a lack of coordination or information.
- Anticipate customer needs.
- Channel customer needs towards the group's companies so they may be handled most effectively.



To complement the aforementioned tool, the sales areas, general management of the companies and the other departments involved maintain regular contact with customers in order to ensure that Abengoa's resources are in line with their priorities and to pursue improvement in areas shown to have weaknesses.

Abengoa companies set up these contacts using a file system, which is available via the Abengoa Customers application, and includes a range of customer parameters, such as invoicing, interpersonal relationships, projects, main problems, etc. Guidelines for action and follow-up are drawn up on the basis of this information. In addition, these files help to obtain an overview of the customer relationship and history, which in turn aids in anticipating customer needs and expectations.

Finally, Abengoa evaluates the degree of fulfillment of the objectives set with each customer, and these targets are then revised and aligned for subsequent years.

### **Customer Satisfaction Processes and Results**

The management systems that have been implemented in accordance with international ISO standards and the internal requirements described under the procedures establish the

need to have processes in place for measuring customer satisfaction with the capability to analyze their needs and expectations.

This analysis concludes with the definition of specific objectives and action plans to meet expectations and improve customer satisfaction, which are taken into account by the management when establishing and defining strategy for each company. Implementation is reviewed and evaluated during the annual program of management system control and follow-up visits.

Given the diversity of Abengoa's activities, products and services, and the customers targeted by the satisfaction study, the analysis is handled separately by each company.

### Case Study Relationship with Customers in Inabensa

Inabensa, a company from the Industrial Engineering and Construction business group which conducts its activities in the industrial engineering, construction and maintenance industry, as well as the power, industry, transportation, services and communications sectors, employs the following tools to gauge customer satisfaction:

### a) Customer satisfaction survey

The EPE (External Process Evaluation) satisfaction survey, submitted to all customers upon project completion, provides insight into customer perception of the following:

- Levels of service delivered
- Quality of the offer
- Compliance with technical requirements
- Fulfillment of project execution schedules
- Flexibility when faced with modifications
- Suitability of the company support partner
- Personnel professionalism
- Compliance with environmental and occupational risk prevention standards
- Final documentation

The computer application used for managing the EPEs allows the company to generate the reports and graphs required for real-time customer satisfaction analysis and follow-up, both globally and specifically for each department or regional office.

At the quarterly Quality and Environment committee meetings of the different departments and regional offices and at general committee meetings, these results are analyzed to determine the measures to be adopted in cases where assessments fall below the control levels established for each year, and a study is conducted on where to direct efforts in order to meet the identified needs, always with a view to improving global customer perception. The analyses conducted are reflected in the minutes of these committee meetings.

### b) Questionnaires on internal perception of customer satisfaction

To complement the direct survey (EPE), Inabensa carries out an in-house survey for evaluating processes involving customers (Internal Process Survey, IPS). This serves to determine the perception held by employees regarding customer satisfaction.

On a bi-annual basis, the results of the direct and indirect surveys are compared in order to validate the latter as an additional reliable method for determining customer satisfaction.

### c) Handling claims and complaints

Las quejas y reclamaciones de los clientes permiten medir de forma indirecta su insatisfacción. Inabensa las registra en la aplicación Informe de Resolución de Problemas (IRP), a través de la cual también gestiona su resolución, buscando la máxima eficacia y eficiencia posible para todas las partes.

Durante el proceso de resolución, se analizan las causas que han provocado la queja y la evaluación del coste de no calidad, y se determinan las acciones correctivas para evitar su repetición. Para cerrar este proceso, es necesario que el cliente muestre su conformidad con la solución adoptada.

# d) Letters of congratulation, signing of agreements on quality and customer contractor assessments

The information included in the letters of congratulation, signed quality agreements and customer contractor assessments are all analyzed by addressing the following aspects, among others:

- Classification of each customer's degree of satisfaction, according to the established criteria.
- Evaluation of Inabensa's most highly valued qualities, including those features that receive the poorest feedback.
- Results related to customer response capability, including: number of questionnaires per key customer, invoicing proportion covered by the assessment, comparisons and trends for each attribute and customer.

In the event the company obtains results that fall below the minimum level established by the management team, a Troubleshooting Report (TSR) is generated for subsequent analysis and resolution. This report enables the company to follow up on the corrective and preventive measures adopted for each organizational unit, in order to improve the feature determined to be sub-standard. The management concludes the TSR process upon ascertaining that the steps taken have proven effective, and this may involve meetings and reallocation of resources for future undertakings.

At the end of each year, Inabensa prepares a Report on General Customer Satisfaction, which includes survey and questionnaire results for all customers with whom the company and its subsidiaries have worked over the course of the year, as well as a comparison with previous years (trends) and the status of each claim.

The following is worthy of special mention from the last available report (General Report on Customer Satisfaction – 2008 Study), as published in January 2009:

- Los resultados, tanto a nivel general como por atributos, se mantienen en la zona de excelencia. Al igual que en 2008, continúa destacando el alto valor mínimo medio obtenido por atributo.
- El índice de respuesta de clientes, que desciende respecto al año anterior, aún habiéndose incrementado el número de clientes respecto al 2007. Continúa, sin embargo, la tendencia al alza en cuanto al número de valoraciones recibidas, si bien estas pertenecen a un menor número de clientes.
- Las felicitaciones recibidas, que casi han duplicado las del año anterior, y las quejas, que han descendido significativamente con relación a años anteriores.

The **Key Customer Satisfaction Report**, relating to customers that generate the most activity (up to 80% revenue coverage), is drawn up at the end of the second quarter of each year to supplement the previous report.

The latest available report is the 2009-2008 Comparative Report on Key Customer Satisfaction, as published in July 2009. The most significant aspects include the following:

- Average assessment, which continues to be classified as excellent, increased with respect to 2007 and 2006.
- The rise in the number of questionnaires received from key customers, and the increased sales volume covered by key customers.
- The increase in the number of letters of congratulation submitted, and the drop in the number of customer claims with respect to 2007.

In addition, an in-depth key customer study was implemented in 2009. This provides trend analysis by customer and organizational unit, taking into account variables such as the following:

- TSR generation
- Assessment improvement; satisfaction
- Invoicing; satisfaction
- Product type; response rate
- Customer
- Department

### 2009 Milestones

- The company successfully developed and extended the network of biofuel service stations in Spain and Germany, with each country now boasting more than 20 direct refueling points.
- In addition to the awards outlined in the Honors and Achievements section of this report, Endesa expressed its appreciation for Abencor's help in finding a solution to the transformer fault at the Expo Zaragoza substation. In turn, RTE (the French electricity transmission company) thanked Inabensa France for its assistance in restoring service on the 63 kV Facture-Parentis line, which had suffered an outage following a storm that destroyed two pylons and damaged a further two.

### Product and Service Quality, Safety and Security

Every Abengoa company features a process-oriented management system, which supports and implements the company's policies and strategy and is geared towards continuous improvement

Every Abengoa company features a rocess-oriented management, environmental management and prevention systems in compliance with international ISO 9001 and ISO 14001 standards, as well as the BS OHSAS 18001 specification.

Effective implementation of the management systems is ensured by the guidelines set by the management in its policy on quality, environment and occupational risk prevention; and also by the proposed annual objectives and their ongoing monitoring, coupled with continuous improvement, training and the unconditional support provided by all Abengoa personnel.

**geared towards continuous improvement improvement** 

The corporate department of Organization, Quality and the Environment, has the responsibility, in environmental affairs, of reporting to Abengoa's Chairman's Office on the progress and status of the Management Systems throughout the different group companies. This oversight is led by the general coordinator for Quality and the Environment, who verifies fulfillment of objectives and the use made of the synergies generated through control and follow-up visits.

Companies Visited according to Sales Volume (%)	2008	2009
Visited	97.10	98.09
Not visited	2.90	1.91

# Management Systems Focused on Processes and Customer Health and Safety

Each Abengoa company has a process-oriented management system in place, which supports and implements the company's policy and strategy and which is geared towards ongoing improvement, in accordance with the requirements imposed by international standards. Within this context, it is the management system itself, along with its control and monitoring mechanisms, which ensures that the impacts on customer health and safety are duly assessed during each of the lifecycle phases of the company's products and services.

There were no reported incidents in 2009 through Abengoa's information channels deriving from failure to comply with legal regulations or voluntary codes and associated with the impacts of products and services on health and safety during their lifecycle.

### ISO 9001, ISO 14001 and OHSAS 18001 certifications

### ISO 14001

Environmentally-Certified Companies according to Sales Volume (%)	2008	2009
ISO 14001-certified	86	84.96
Not certified	14	15.04

#### Environmentally-certified companies according to sales volume (%)



### **ISO 9001**

Quality-Certified Companies according to Sales Volume (%)	2008	2009
ISO 9001-certified	91.04	92.87
Not certified	8.96	7.13

Quality-certified companies according to sales volume (%)



### **OHSAS 18001**

Prevention-Certified Companies according to Sales Volume (%)	2008	2009
OHSAS 18001-certified	74.34	83.08
Not certified	25.66	16.92

#### Prevention-certified companies according to sales volume (%)



The number of quality-certified companies climbed by 1.83% over 2009. The drop in the percentage of environmentally-certified companies is largely due to recently created companies that are still integrating their management systems.

### Case Study Safety and Security Measures in Telvent Ticketing Systems

True to its commitment to sustainable development, safety, security and the environment, Telvent offers its customers, with the aim of improving urban mobility and creating sustainable urban environments, management solutions that help to facilitate and encourage the use of public transportation, including ticketing systems for subway and commuter train networks. Telvent has implemented these systems in cities such as Madrid, Barcelona and Bilbao (Spain), Monterrey (Mexico) and Tiajin (China).

To ensure proper operation of the ticketing systems manufactured by Telvent and the security of future users, verification is conducted, in approved laboratories, of compliance with all requirements stipulated under the Information Treatment System Security Standard (UNE EN 60950), the 1999/5/EC Electromagnetic Compatibility Directive and the Low-Voltage Electrotechnical Regulations according to 2006/95/EC.



Subway access system in Tiajin (China)

Compliance with standards and norms ensures the security of these systems for their users by taking aspects such as the following into account: low electromagnetic interference emission levels, immunity to outside interference, sufficient protection against electrical faults, grounding of metal components, and protection and labeling of points involving electrical or mechanical risk to maintenance personnel.

Prior to this, and during the process of machine manufacturing, burrs or excess material are eliminated and the edges of mechanical pieces are smoothed to prevent cuts. In addition, all equipment undergoes insulation and dielectric withstand testing in order to make sure that cable insulation is sufficient to withstand overvoltage without causing short circuits.

Furthermore, since these systems are intended for installation in indoor stations, they are manufactured with low smoke emission and are halogen-free, while also containing low flammability plastics (UL-94 VO) in compliance with the UNE EN 60950 standard, thereby lowering risks in the event of fire and preventing intoxication and loss of visibility caused by smoke and the spread of flames.

At the functional level, the passenger access control paths incorporate security photocells that prevent doors from closing when they might hit a passenger, in addition to a sensor which detects whether a person has been trapped and automatically opens the doors.



The design of these passageways ensures open-door security position by means of activating a general emergency button, even in the event of a lack of electrical power. This helps to prevent equipment from hampering the process of evacuating people inside the station in an emergency situation.

In turn, the ticket vending machines are equipped with anti-vandalism detectors capable of sending alarm signals to a central location in the event of an incident. In addition, they are occasionally equipped with video cameras connected to the station's surveillance network.

Telvent guarantees safety and security for the users of the systems the company develops and manages.

Sales of ticketing systems as a percentage of total sales for Abengoa in 2009 stood at 0.18%.

### 2009 Milestones

• Over 2009, the number of quality-certified companies climbed by 1.83%.

### **Reliability of External Communications**

### **Product Labeling**

In accordance with international regulations and internal specifications, it is essential to identify all legal or other requirements that apply to each of the companies and to their products and services.

Abengoa has also established periodic evaluation of compliance with all prevailing requirements so that, in the event of non-compliance, the troubleshooting (TSR) and Improvement Action (IA) applications are employed to duly record these instances for subsequent control and follow-up.

These requirements include all of those relating to product and service information and labeling. There were no incidents of non-compliance in this regard reported through Abengoa's information channels in 2009.

In the case of equipment and systems issued by **Telvent** in the European Union, an EC Statement of Compliance and EC Label are required (in accordance with EC regulations, EC labeling of equipment takes place after generating the technical report and following product assurance through the required battery of tests).

As far as labeling of **Bioenergy** products is concerned, the requirements for which are determined by national or international regulations regarding their transportation or their status as livestock feed, products are categorized into three types:

- Bioethanol: Regardless of the means of transportation, European bioethanol must be accompanied by the corresponding safety and security form, as well as a consignment note. Given that the product is shipped in bulk, there is no labeling involved, although the same cannot be said for the container, which must be identified in compliance with the requirements of European Law regarding road or rail transportation of hazardous goods.
- DDGS: Since it is shipped in bulk, DDGS is exempt from labeling in Europe. However, due to its status as livestock feed, the product is shipped along with documentation that includes information on the shipper and commercial authority, the technical name of the product, the Statement on Genetically Modified Organisms (GMO), if applicable, protein content and batch traceability.
- Sugar: Regardless of how it is transported, sugar produced in bioethanol plants in Brazil must be accompanied by a laboratory analysis demonstrating compliance with contracted specifications: polarization, color, moisture and ashes, as well as an invoice indicating volume and consignment value.

Sales of these three products as a percentage of total sales for Abengoa in 2009 stood at 19.35%.

As regards **construction work**, it is generally the customer that sets requirements, guidelines and the types of material to be fitted. All of the information required for responsible use of the completed work is included in the documentation accompanying the product or service supplied: safety and security forms, installation instructions, user manuals, electrical installation sheets, legalizations, service start-up, connections, recommendations, etc.

### **Customer Privacy**

Abengoa guarantees the validity, integrity and security of all information handled by the company, particularly in regard to all aspects of customers' personal data.

With the aim of ensuring security measures associated with communications and information systems, there is a security policy statement that governs all Abengoa businesses and companies. This statement covers the implementation of an Information Security Management System as a tool serving to fulfill security objectives, with these encompassing confidentiality, integrity and availability.

The Information Security Management System explicitly reflects every aspect related to policy, standards and obligations applicable to the users of information systems, regardless of whether or not they are Abengoa employees.

The Information Security Management System sets down the policy on usage of information systems, management of security-related incidents, password policy, security in the workplace, anti-virus protection, wireless networks, system administration, perimeter security, protection of personal data and information classification.

There were no reports via Abengoa information channels of any claims filed with respect to customer privacy and personal data leaks at Abengoa companies in 2009.

Nor were there any fines recorded for failure to comply with regulations regarding the supply and use of products and services offered by each Abengoa company.

### **Marketing Communications**

Abengoa has not signed up to any standard or voluntary code related to marketing, advertising or other promotional or sponsorship activities. However, the company has a demanding and stringent internal control procedure for external communications that is included under the Common Management Systems.

This control system involves a chain of internal authorizations, which are ultimately submitted to the Chairman's Office. All heads of the areas involved in communication content must authorize and complete the information in order for it to be consistent, accurate and complete. This process ensures that the communications generated neither contravene the company's principles and values nor violate its Code of Conduct.

There were no reports via Abengoa information channels of any claims filed with respect to this matter at any Abengoa company in 2009.

### Case Study Bioenergy Product Labeling

During the bioethanol production process that takes place at Abengoa Bioenergy's European plants, DDGS (Distillers Dry Grains with Solubles) are produced from the production of bioethanol through grain starch conversion by means of fermentation. DDGS is a vegetable source of protein, energy, fiber and vitamins and is used as a raw material for producing livestock feed. As a product involved in the food chain, DDGS complies with all national and international regulations in force relating to DDGS production, storage and dispatch control.



DDGS is loaded directly onto a truck or train using front-end loaders, and does not therefore require product labeling given that it is not packaged. However, in accordance with regulations governing the circulation and utilization of raw material for livestock feed and the circulation of compound feeds, the product must be accompanied, at the very least, by a document containing information on the forwarder, the commercial authority, technical product name, gross protein content, as well as a statement, where applicable, on the presence of Genetically Modified Organisms (GMO).

Further requirements include the corresponding bill of lading, which contains details on, among other things, load weight, product destination, transportation agency and the batch number of the product, which, in compliance with prevailing regulations governing traceability and security of livestock feed, has an associated record of product control data generated during production, storage and dispatch. This record is available to the customer upon request.

Abengoa Bioenergy produces nearly 0.5 Mt of DDGS annually at its European plants in compliance with all requirements specified under the regulations governing livestock feed production, circulation and use.

During the bioethanol production process DDGS are produced, that is used as a raw material for producing live stock feed